

# BUSINESS CLEARANCE MEMORANDUM

Number **20-0225**

## SECTION I – COVER AND SIGNATURE PAGES.

<b>Type of Procurement Action:</b> <input type="checkbox"/> <b>Single Award Contract Task Order/Delivery Order</b>  <input checked="" type="checkbox"/> <b>Multiple Award Contract (MAC) Task Order/Delivery Order:</b> <input checked="" type="checkbox"/> Order Competed Under Fair Opportunity <input type="checkbox"/> Fair Opportunity Exception Applies: FAR 16.505(b)(2)(i)(_)	<b>Type of Clearance:</b> <input checked="" type="checkbox"/> Pre-Negotiation <input checked="" type="checkbox"/> Post Negotiation  <b>Additional Details:</b> _____ Letter Contract																	
<b>Solicitation/Contract Number:</b> IT Services MAC – RFTOP #0001 IT Operations <b>Activity:</b> Naval Information Warfare Center, Pacific (NIWC PAC)																		
<b>Contractor:</b> Strategic Data Systems <b>Address:</b> 1854 Keller Parkway, Suite A <b>City/State:</b> Keller, TX <b>DUNS:</b> 020134933 <b>CAGE Code:</b> 1KKU1																		
<b>Program Title:</b> Information Technology Operations, Code 82300  <b>NAICS Code:</b> 541330 – Engineering Services <b>PSC:</b> D310 - IT and Telecom- Cyber Security and Data Backup																		
<b>Clearance Total:</b> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;"><b>Pricing Structure</b></td> <td style="width: 70%; text-align: center;"><b>Proposed/Negotiated</b></td> </tr> <tr> <td><b>Cost Plus Fixed Fee (CPFF)</b></td> <td></td> </tr> <tr> <td style="padding-left: 20px;"><b>Labor Hours</b></td> <td rowspan="6" style="text-align: center; vertical-align: middle; background-color: #cccccc;">(b)(3) 10 U.S.C. § 2305(g), (b)(4)</td> </tr> <tr> <td style="padding-left: 20px;"><b>Prime Labor Cost</b></td> </tr> <tr> <td style="padding-left: 20px;"><b>Total Cost</b></td> </tr> <tr> <td style="padding-left: 20px;"><b>Fee/Profit</b></td> </tr> <tr> <td style="padding-left: 20px;"><b>ODCs</b></td> </tr> <tr> <td style="padding-left: 20px;"><b>CPFF Total</b></td> </tr> <tr> <td colspan="2" style="padding-top: 10px;"> <b>Clearance Total (CPFF):</b> <span style="float: right;"><b>\$3,979,415.48</b></span> </td> </tr> <tr> <td colspan="2" style="padding: 5px;"> <b>Performance Period:</b>  <b>Start:</b> Date of Award  <b>End:</b> Three (3) Years thereafter (With Options Exercised)       </td> </tr> <tr> <td colspan="2" style="padding: 5px;"> <b>Prepared By:</b>  <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="width: 40%;"> <b>Name:</b> Jessica Matias  <b>Title:</b> Contract Specialist  <b>Phone:</b> 619-553-4349  <b>Date:</b> </div> <div style="width: 55%; text-align: center;"> <div style="background-color: #cccccc; width: 100px; height: 40px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">(b)(6)</div> <hr style="width: 100%; border: 0.5px solid black;"/>           Signature         </div> </div> </td> </tr> </table>		<b>Pricing Structure</b>	<b>Proposed/Negotiated</b>	<b>Cost Plus Fixed Fee (CPFF)</b>		<b>Labor Hours</b>	(b)(3) 10 U.S.C. § 2305(g), (b)(4)	<b>Prime Labor Cost</b>	<b>Total Cost</b>	<b>Fee/Profit</b>	<b>ODCs</b>	<b>CPFF Total</b>	<b>Clearance Total (CPFF):</b> <span style="float: right;"><b>\$3,979,415.48</b></span>		<b>Performance Period:</b> <b>Start:</b> Date of Award <b>End:</b> Three (3) Years thereafter (With Options Exercised)		<b>Prepared By:</b> <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="width: 40%;"> <b>Name:</b> Jessica Matias  <b>Title:</b> Contract Specialist  <b>Phone:</b> 619-553-4349  <b>Date:</b> </div> <div style="width: 55%; text-align: center;"> <div style="background-color: #cccccc; width: 100px; height: 40px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">(b)(6)</div> <hr style="width: 100%; border: 0.5px solid black;"/>           Signature         </div> </div>	
<b>Pricing Structure</b>	<b>Proposed/Negotiated</b>																	
<b>Cost Plus Fixed Fee (CPFF)</b>																		
<b>Labor Hours</b>	(b)(3) 10 U.S.C. § 2305(g), (b)(4)																	
<b>Prime Labor Cost</b>																		
<b>Total Cost</b>																		
<b>Fee/Profit</b>																		
<b>ODCs</b>																		
<b>CPFF Total</b>																		
<b>Clearance Total (CPFF):</b> <span style="float: right;"><b>\$3,979,415.48</b></span>																		
<b>Performance Period:</b> <b>Start:</b> Date of Award <b>End:</b> Three (3) Years thereafter (With Options Exercised)																		
<b>Prepared By:</b> <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="width: 40%;"> <b>Name:</b> Jessica Matias  <b>Title:</b> Contract Specialist  <b>Phone:</b> 619-553-4349  <b>Date:</b> </div> <div style="width: 55%; text-align: center;"> <div style="background-color: #cccccc; width: 100px; height: 40px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">(b)(6)</div> <hr style="width: 100%; border: 0.5px solid black;"/>           Signature         </div> </div>																		

**Recommendation:** Approval is requested to award a task order to Strategic Data Systems Inc. (SDS) under the IT Service MAC contract N66001-20-D-3411, task order N66001-20-F-0923 in the amount identified on page 1 of this memorandum. The proposal from SDS is determined to be fair, reasonable, and represents the best value to the Government.

(Note: Per FAR 15.404-4(c)(4)(ii), the Contracting Officer's signature on the price negotiation memorandum documents that the statutory price or fee limitations have not been exceeded.)

**Contracting Officer:**

**Signature:**

(b)(6)

**Printed Name:** Jacob Ward

**Phone:** 619-553-9046

**Date:**

**Unconditional Approval**   X  

**Not Approved**           

**Conditional Approval**           

**Conditions (If applicable):**

## SECTION II – KEY DOCUMENTS/EXHIBITS/ATTACHMENTS.

### A. Summary of Key Documents.

Procurement Documentation Summary	
1. Acquisition Strategy/Plan:	This effort will be within the scope of the Acquisition Strategy/Plan (AS/AP) that was approved prior to award of the basic contract
2. Procurement Request:	1300870893
3. Solicitation:	Task Order RFP 0001
4. Contractor(s) Proposal(s):	<div><ul style="list-style-type: none"><li>•</li><li>•</li><li>•</li><li>•</li><li>•</li><li>•</li><li>•</li><li>•</li><li>•</li><li>•</li><li>•</li></ul><div>(b)(3) 10 U.S.C. § 2305(g), (b)(4)</div></div>
5. Proposal Evaluation Reports (as applicable):	See attachments below
DCAA Report(s):	See attachments below

### B. Attachments

1. Independent Government Cost Estimate dated 30 April 2020
2. Statement of Work dated 30 April 2020
3. Task Order Request for Proposal #0001 dated 05 May 2020
4. Amendment 0001 dated 05 May 2020
5. Amendment 0002 dated 15 May 2020
6. Amendment 0003 dated 19 May 2020
7. Technical Evaluation Report Dated 01 July 2020
8. Consolidated Q&A dated 14 May 2020
9. DCAA Provisional Billing Rates
  - i. (b)(3) 10 U.S.C. § 2305(g), (b)(4) FY2020 dated 06 February 2020
  - ii. Strategic Data Systems FY2020 dated 11 May 2020

## SECTION III – PRE-SOLICITATION INFORMATION.

The purpose of this business clearance is stated in the “Recommendation” section on page 2 above.

### A. Detailed Description of Supplies/Services.

The NIWC Pacific RDT&E Operations Branch, Code 82300, has a requirement for professional and technical services related to support and operation of:

- Information Technology Service Management (ITSM)-based Service Desk Operational Support
- Secure Lab Space Operational Support
- Navy Marine Corps Intranet (NMCI) Operations and Support Services
- Cellular/wireless Operations and Support Services

### B. Background.

1. **Procurement history (as applicable).** This is a follow on tasking to efforts awarded under:
  - i. N00178-14-D-7651-7N01, Cameron Bell Corporation (GovSG)
2. **Acquisition environment.** This acquisition will be procured under the IT Services Small Business Multiple Award Contract. There are eleven (11) potential contract awardees including: Atlas Technologies, Cameron Bell Corporation (GovSG), DirectViz Solutions, FreeAlliance LLC, Infinity Systems Engineering, LLC, Information System Solutions, Inc., Joint Tactics Technologies (JTT), New Direction Technologies Inc., Resource Management Concepts, Inc., Sentar Inc., Strategic Data Systems, Inc.

For this task order Request for Proposal (RFP), ten (10) of the eleven (11) contractors advised that they would be submitting a proposal and one (1) of the contractors provided a no bid. The primary place of performance for this requirement will be on site at NIWC Pacific facilities, in San Diego, California.

- C. Independent Government Cost Estimate (IGCE).** To develop the IGCE, Government subject matter experts (SME) relied on expert engineering judgment and historical data from previous efforts. For new requirements of this effort, the Government utilized rates for similar work completed. The IGCE for this effort was drafted utilizing the Government's estimate of labor hours necessary to perform the requirements of the PWS contemplated by this action. The IGCE included an escalation rate of (b)(5) for fringe, (b)(5) for overhead, and (b)(5) or G&A. The total IGCE is (b)(5). Table 1 summarizes the IGCE.

Table 1 Independent Government Cost Estimate				
	Base Year	Option Year 1	Option Year 2	Grand Total
<b>Totals</b>	(b)(5)			

- a. **Method used for IGCE Development.** The IGCE was developed by the Government SMEs, who utilized their expert engineering judgement and average labor hours based on historical data (b)(5). The following reflects the base year labor hours, which was shared with the competing contractors in the task order request for proposal (TORFP)

Table 2: Labor Mix and Hours				
Labor Category	Base Period	Option 1	Option 2	Total
Customer Support Analyst III - Level III	1,920	1,920	1,920	5,760
Customer Support Analyst II - Level II	26,880	26,880	26,880	80,640
Program Manager	480	480	480	1,440
<b>TOTAL</b>	<b>29,280</b>	<b>29,280</b>	<b>29,280</b>	<b>87,840</b>

- b. **Assumptions made.** In developing the IGCE, the SME assumed that the contractor has performed similar work and has the engineering and management expertise to perform the effort.
- c. **Information estimating tools used.** Not Applicable.
- d. **Source of information.** The Government SME utilized labor categories and hours from the previous task orders and contracts (b)(5) this BCM.
- D. Type of Contract.** The contract type for this task order is cost-plus-fixed-fee (CPFF) for services. Other Direct Costs are anticipated for this effort, and therefore an ODC CLIN will be included (as established in the basic contract). This contract type is in accordance with the recommended awardee's basic contract N66001-20-D-3411. There are no terms for firm fixed price orders. The proposed period of performance for this requirement as solicited was for a Base Period of Twelve (12) months, and two (2) One-Year Option Periods. Option periods will be exercised, if desired, by the Government and in the Government's best interest. The TORFP included the following language: "option periods may be exercised by a unilateral modification to the task order by the Contracting Officer on or prior to the end of the task order performance period."
- E. Source Selection Planning.** The Government advised that this is a best value trade-off procurement, i.e., the offer which represents the greatest overall value to the Government, price and non-price factors considered, will be selected for award. Neither the low cost, nor the highest technically rated proposal will automatically receive the award. Cost and non-cost factors will both be considered in making the trade-off decision. Additionally, the Government advised offerors that any proposal with a Performance Confidence Assessment of Limited Confidence or No Confidence will be ineligible for award.

The non-cost evaluation factor will be of significantly more importance than cost.

The Government intended to make an award based on initial proposals received, and therefore offerors were advised to provide their most competitive and complete proposal that contained the offeror's best terms from a price and technical standpoint with the assumption that there would not be an opportunity to revise their proposal. However, after the receipt of

proposals the Government reserves the right to, with or without notice, negotiate with, and if desired, seek proposal revisions from as many or as few Offerors as it, in its discretion, deems appropriate.

Proposals were evaluated using the following technical evaluation factor:

### **Factor 1: Past Performance**

#### **Factor 1: Submission Requirements:**

- Prepare and submit up to three Reference Information Sheets (Attachment 6) to explain the recency, relevance and quality of your past performance on Government contracts since 1 January 2015. Cite at least one reference for work performed by the prime offeror, no more than one (1) reference per subcontractor, and no more than three (3) references total. Cite references in the following order: work performed by the prime, then work performed by the subcontractor(s).
- Part 15 of the Reference Information Sheet requires offerors to provide a summary description of contract work, not to exceed two (2) additional single-sided pages in length, for each cited reference. In completing these summary descriptions, offerors must explain the relevance of each cited reference with respect to one or both of the following key areas of the SOW for this requirement:
  - 3.1 RDT&E Network Operations Center (ROC) Service Desk Support
  - 3.3 NMCI Operations and Support Services
- Offerors shall clearly format the response to separate the discussion for each key area of the SOW. Do not provide a consolidated response for multiple key areas of the SOW.
- For each Past Performance Reference, the offeror shall submit the most recent performance assessment from the Contract Performance Assessment Reporting System (CPARS). For contract actions where past performance information does not reside in CPARS, offerors shall contact their past performance references (Government COR/TPOC/PCO) and request that each reference complete Attachment 5 “Past Performance Questionnaire” and e-mail the completed survey form, before the due date of this solicitation, directly to the Contract Specialist identified in the RESPONSE section below. The Government may consider questionnaires received after the due date of the solicitation.
- For each Past Performance Reference, the offeror shall also submit the final version of the Government SOW/PWS that corresponds to the referenced contract. For references for work performed as a subcontractor, either the prime-level PWS/SOW or the subcontract level PWS/SOW/Subcontract Agreement will suffice.
- The Government reserves the right to use past performance information obtained from sources other than those identified by the offeror. This past performance information will be used for the evaluation of past performance.
- The Government does not assume the duty to search for data to cure the problems it finds in the information provided by the offeror. The burden of providing thorough and complete past performance information remains with the offeror

#### **Factor 1: Evaluation**

The Government will evaluate the offeror’s demonstrated recent and relevant record of performance in supplying services that meet the requirements contained in the SOW to establish one performance confidence assessment rating for each offeror.

There are three aspects to the past performance evaluation. The first is to evaluate the recency of the offeror’s past performance. To be deemed recent, the work must have been performed since 1 January 2015. If a reference is not deemed recent, that reference will not be evaluated in the second or third aspects of this evaluation factor. The second aspect is to evaluate the relevance of the offeror’s past performance to the key areas of the SOW, specifically sections 3.1 and 3.3. Relevance may include, but is not limited to, similarity to work contemplated under the RFP (i.e. work associated with the key areas of the SOW) with respect to complexity, scope, and type of work. Past Performance relevancy will be rated as follows: Very Relevant, Relevant, Somewhat Relevant, or Not Relevant.

For evaluation purposes, it should also be noted that these key SOW areas will not be evaluated as subfactors.

The third aspect of the past performance evaluation is to establish the overall quality of the offeror’s past

performance. Only recent past performance deemed Somewhat Relevant or better will be evaluated in this third step. The Government will review this past performance information (to include CPARS and/or questionnaires) and determine the quality and usefulness as it applies to a performance confidence assessment. The Government's performance confidence assessment will consider the CPARS submitted by offerors, Past Performance Questionnaires submitted by offeror references, their own experience with offerors, and information from third-party references relating to the following areas:

- (1) Quality - Conformance to contract requirements, specifications and standards of good workmanship, accuracy of reports, technical excellence, reliability.
- (2) Schedule - Timeliness of performance with regard to contract milestones, delivery/performance schedules, administrative requirements, actions that contribute to or affect schedule variance, contractor corrective actions.
- (3) Cost Control - Effectiveness in forecasting, managing and controlling contract cost; demonstrated sense of cost responsibility, efficient use of resources, cost savings; current, accurate and complete billings; actual cost/rates reflect closely to negotiated cost/rates.
- (4) Management - Integration and coordination of all activity needed to execute the contract, specifically the timeliness, completeness and quality of problem identification, corrective action, history of reasonable and cooperative behavior, customer satisfaction; responsiveness; subcontract management (when applicable); program management; management of key personnel (when applicable).
- (5) Utilization of Small Business - Effective program to maximize the participation of small business concerns in Federal agency contracts. Compliance with FAR 52.219-8 "Utilization of Small Business Concerns." Compliance with FAR 52.219-9 "Small Business Subcontracting Plan" (applicable only if FAR 52.219-9 is included in the contractor's basic contract).
- (6) Regulatory Compliance - Compliance with all terms and conditions in the contract relating to applicable regulations and codes, to include – when applicable – compliance with financial, environmental, safety and labor regulations as well as any reporting requirements.

The Government will review this past performance information and determine the quality and usefulness as it applies to a performance confidence assessment as follows: Substantial Confidence, Satisfactory Confidence, Neutral Confidence, Limited Confidence, or No Confidence. An offeror without a record of relevant past performance, or for whom information on past performance is not available, may not be evaluated favorably or unfavorably on past performance. Such offerors will receive a rating of Neutral Confidence.

**F. Special Provisions and Considerations.**

- a. The TORFP included provisions
  - i. FAR 52.204-24 Representation Regarding Certain Telecommunications and Video Surveillance Services or Equipment (AUG 2019),
  - ii. FAR 52.204-26 Covered Telecommunications Equipment or Services-Representation (Dec 2019),
  - iii. DFARS 252.204-7016 Covered Defense Telecommunications Equipment or Services—Representation (Dec 2019)
  - iv. DFARS 252.204-7016 Covered Defense Telecommunications Equipment or Services—Representation (Dec 2019), and
  - v. DFARS 252/225-7974 – Representation regarding business operations with the Maduro Regime (Deviation 2020-O0005) (Feb2020)
- b. The TORFP also include additional subcontracting guidance which provides instructions to prime contractors on requirements to proposed a subcontractor not previously approved at the base contract.

**G. Solicitation Review and Compliance.** The task order is in agreement with the approved base contract Acquisition Strategy (AS) and Acquisition Plan (AP) No. 18-0066 approved on 22 March 2018. No changes have been made to the contract strategy within the approved AS and AP in the award of the current task order. Legal review of this task order is not required based on the estimated value.

**H. Synopsis.** A synopsis was issued prior to award of the basic contract. A separate synopsis for this task order is not required; see exception at FAR 5.202(a)(6).

## SECTION IV – SOLICITATION.

The TORFP was issued to all eleven (11) IT Services MAC Holders via email on 05 May 2020 with questions due on 15 May 2020 and proposals due date of 05 June 2020.

Three (3) amendments were issued.

Amendment 001 updated the proposal due date of this requirement from 05 June 2020 to 21 May 2020.

Amendment 002 did the following:

1. Provided Attachment 7, Desired Qualifications, for costing purposes only.
2. Removed the request for annualized labor costs.
3. Updated the footnote associated with contracts that may be used for reference.

Amendment 003 provided an additional update to Attachment 7, Desired Qualifications.

At the conclusion of the solicitation, one (1) of the eleven (11) IT Services MAC holders submitted a no bid decision.

- (b)(4) provided a no-bid decision for TORFP #001. (b)(4)

(b)(4)

Offerors were provided a response to their questions on 15 May 2020. The following questions were received and responses provided to IT Services MAC Holders:

1) Reference: Technical Proposal, Factor 1 - Past Performance

- a. Question: The footnote regarding which contracts may be used for reference/relevance states that "Master contract vehicles (e.g., Blanket Purchase Agreements, Indefinite Delivery/Indefinite Quantity ("D" type) contracts) will not be considered." This seems to require that each, individual TO under a "D" type contract count as one (1) of the three (3) allotted past performance references. This methodology is contradictory to the original solicitation for this contract and could prove to limit competition for offerors who performed multiple task orders, under a single "D" Type contract, with a defined Basic Contract level scope that supported a specific portfolio of customer work. By not allowing a "D" type contract, with a reasonable volume of task orders that support a very defined Basic Contract level scope of work, to count as one reference an offeror may be severely disadvantaged in its ability to express the depth and breadth of their past performance as it relates to this effort. This is because doing so makes expressing past performance entirely reliant on the manner in which the government subdivided the work under that contract. For example, if a government agency employed that same methodology on future pursuits, any firm who secured all four (4) task orders under this vehicle wouldn't be able to convey the full depth and breadth of their experience under this contract. In the spirit of maximizing competition, we respectfully request that the government permit the use of "D" type contracts with the requirement for the contractor to clearly state the relevant Task Orders, earliest start date, and cumulative value of the applicable Task Orders under the Basic Contract.

**ANSWER: See Amendment 0002. Amendment 0002 amends the footnote provided in the solicitation to allow Master Contracting Vehicles (e.g. IDIQs and BPAs) as long as the summary descriptions of contract work (i.e., Block 15 of the Reference Information Sheets) refer to specific task orders performed and not the generic overarching BPA or IDIQ requirements.**

2) Reference: Reference Information Sheet (RIS) Block #5 vs TORFP

- a. Question: The RIS Block #5 states that work must have begun on or after 1 January 2015; however, within the evaluation section of the RFP, it states: "To be deemed recent, the work must have been performed since 1 January 2015.". Will the government please confirm that work may have begun prior to 1 January 2015 as long as the performance stated in the offeror's response was performed since 1 January 2015? In other words, please confirm the wording isn't meant to preclude an offeror from citing work that may still be ongoing, or ended recently, simply because performance under that reference began before 1 January 2015. It is noteworthy that the required submission of the most recent CPARS would also validate the performance dates as being after 1 January 2015.



**ANSWER: Yes, it is okay if the work started before 1 January 2015, but the information submitted, including the contractor's description etc. needs to apply to work that is done after 01 January 2015.**

- 3) In each of the 4 RFP instructions, there is a note for each labor category to include "The annualized labor cost for each labor category by multiplying each fully burdened hourly labor rate by 2,080 hours." Since the fully burdened rates take into consideration time-off and working 1,920 hours per period, do you want the actual labor cost by multiplying these fully burdened rates by 1,920 hours instead of 2,080 hours?

**ANSWER: Amendment 0002 removed the need for annualized labor costs.**

- 4) In each of the 4 RFP instructions, it states "The Price/Cost Proposal narrative shall not exceed five (5) pages, not including substantiating cost information...". Please confirm that substantiating cost information can include tables/figures from the Excel workbook, as well as the completed additional provisions? Is there another location you'd like us to provide the completed Additional Provisions?

**ANSWER: Concur, substantiating cost information can include tables and figure from the excel workbook. Please provide completed provisions as an attachment to the cost proposal.**

- 5) General:

Reference: Documents for submission confirmation

Question:

- i. Please confirm the Government expects the following documents as part of their bid submissions:
  - i. Cover Letter
  - ii. Price/Cost Proposal
  - iii. Technical Proposal
  - iv. SOW/PWS Documents for Past Performance References
  - v. Latest CPAR for Past Performance References

**ANSWER: All requested information is stated in the TORFP.**

- 6) Labor Categories:

a. Reference: Table 1

b. Questions:

- i. Are the Labor Category experience and certification requirements at the MAC level the same at the task order level?
- ii. For the Customer Support Analyst II, can the certifications described in the MAC Personnel Qualifications document be obtained within 60 days of a new hire's start date on the task order?
- iii. For the Customer Support Analyst III, can the certifications described in the MAC Personnel Qualifications document be obtained within 60 days of a new hire's start date on the task order?

**ANSWER:**

- i. **Attachment 7, Desired Qualifications, provides expected experience and certifications required for each labor category. These Desired Qualifications are for costing purposes only. The Government will NOT be evaluating personnel based on their qualifications.**
- ii. **No, all certifications must be obtained prior to a new hire's start date**
- iii. **No, all certifications must be obtained prior to a new hire's start date**

- 7) Price/Cost Proposal:

a. Labor

- i. Reference: "Proposal shall provide the names if known (MUST be provided if Government is evaluating resumes for Key Personnel) and labor categories of the personnel who will be performing the effort, and identify and provide source of the proposed labor rates. For example: (1) if proposed labor rate is based on actuals paid to the named individual, payroll data shall be provided; or (2) if labor rate is based on an existing Forward Pricing Rate Agreement (FPRA), the FPRA shall be provided. All proposed labor categories should either exactly match or be mapped to the labor categories identified in Table 1 above."
- ii. Question(s):



- i. Are contingent hire employment letters, which identify agreed upon labor rates, an approved source for direct labor rates?
- ii. Are salary surveys (such as Economic Research Institute (ERI) or Bureau of Labor Statistics (BLS) data), which accurately reflect the labor category duties and experience, an approved source for direct labor rates?

**ANSWER:**

- i. **Yes, the labor rate provided in an employee's signed contingent employment letter will suffice as a source for a proposed direct labor rate. The rate may, or may not, be determined reasonable and realistic by the Government depending on the Government's analysis.**
- ii. **Yes, ERI and/or BLS will suffice as a source for a proposed direct labor rate. The rate may, or may not, be determined reasonable and realistic by the Government depending on the Government's analysis.**

8) Technical Proposal

a. Past Performance

- i. Reference: In the TORFP, within the Evaluation section of the Past Performance Factor, the Government states "To be deemed recent, the work must have been performed since 1 January 2015." Also, Attachment 6 – Reference Information Sheet, Box 5 – Date work began, states "must be 1 January 2015 or later."
- ii. Question:
  - i. If an offeror references a contract which began prior to 1 January 2015 and ended at least one year after 1 January 2015, would this contract be deemed as "Recent" and therefore eligible for further evaluation under the Relevancy and Quality aspects?

**ANSWER: Please see question 2.**

9) Additional Provisions - 1. Organizational Conflict of Interest (OCI)

Reference: In accordance with clause H-TXT-06, Organizational Conflict Of Interest, of the offeror's basic contract, offerors shall assert that performance of this task order does not result in an OCI or the offeror must submit an OCI Mitigation Plan. If an OCI Mitigation Plan is submitted, it shall include all elements included in paragraph (g)(3) of the offeror's basic contract clause H-TXT-06.

Question: Please identify where this OCI assertion shall be located and confirm that it is outside the page count of that volume.

**ANSWER: Please refer to question 4.**

10) Additional Provisions – Various Representations and Certifications

Question: Please identify where these Representations and Certifications shall be located and confirm that it is outside the page count of that volume.

**ANSWER: Please refer to question 4.**

11) a. Factor 1: Past Performance

Reference: For each Past Performance Reference, the offeror shall submit the most recent performance assessment from the Contract Performance Assessment Reporting System (CPARS). For contract actions where past performance information does not reside in CPARS, offerors shall contact their past performance references (Government COR/TPOC/PCO) and request that each reference complete Attachment 5 "Past Performance Questionnaire" and e-mail the completed survey form, before the due date of this solicitation, directly to the Contract Specialist identified in the RESPONSE section below. The Government may consider questionnaires received after the due date of the solicitation.

Question: Please confirm that including CPARs in the Past Performance Volume is outside the page count of that volume.

**ANSWER: Confirming CPARS is outside of the page count of the Past Performance Volume.**

12) a. Factor 1: Past Performance

Reference: For each Past Performance Reference, the offeror shall also submit the final version of the Government SOW/PWS that corresponds to the referenced contract. For references for work performed as a subcontractor, either the prime-level PWS/SOW or the subcontract level PWS/SOW/Subcontract Agreement will suffice.

Question: Please confirm that including the final Government SOW/PWS is outside the page count of that volume

**ANSWER: Confirming the final Government SOW is outside the page count of that volume.**

13) 1. Price/Cost Proposal: The Price/Cost Proposal narrative shall not exceed five (5) pages, not including substantiating cost information, subcontractor proposal, data to support the subcontractor analysis (if applicable), or requisite Excel workbook.

Reference: 1. Price/Cost Proposal: The Price/Cost Proposal narrative shall not exceed five (5) pages, not including substantiating cost information, subcontractor proposal, data to support the subcontractor analysis (if applicable), or requisite Excel workbook.

Question: Please confirm that the cover page, table of contents, list of figures, and tables is outside the page limit of this volume.

**ANSWER: Confirming that cover page, table of contents, list of figures, and tables is outside the page limit for this volume.**

14) a. Factor 1: Past Performance

Discussion: Part 15 of the Reference Information Sheet requires offerors to provide a summary description of contract work, not to exceed two (2) additional single-sided pages in length, for each cited reference.

Question: please confirm that the coverage, table of contents, list of figures, and tables is outside the page limit of this volume.

**ANSWER: Confirming that cover page, table of contents, list of figures, and tables is outside the page limit for this volume.**

15) Proposal submission: Response, Final RFP Response:

Question: Will the Government please grant a week extension on the due date, due to multiple task orders being released with only 2 weeks to respond will limit the competition?

**ANSWER: No, due to the tight timeline required to award these task orders, no extensions will be made available.**

16) Each task order has page limits for the cost proposal and technical submission. Is it acceptable to add a cover page, table of contents and list of acronyms that would be excluded from the page limitations?

**ANSWER: Confirming that cover page, table of contents, list of figures, and tables is excluded from page limitation.**

17) How does the Government intend to evaluate contractor's performance without identifying measurable performance metrics into the SOW's or providing a Quality Assurance Surveillance Plan (QASP) for each task order?

**ANSWER: Contractor's performance will be evaluated based on standard CPARS rating factors (e.g., cost control, quality, etc.).**

18) Please confirm that the labor categories on the all 4 TORFP's are the labor categories described in the original ITM MAC solicitation?

**ANSWER: See question 6.**

19) Are any labor categories under SCA on any of the TO's?

**ANSWER: SCA labor categories are not anticipated.**

20) Under All TO's Proposal Submission Section 1)f)iii – Can you please confirm that you want us to allocate any indirect/handling, G&A rates on subcontractor's cost to be included in this rate? Also please confirm that for the non-fee rate (Proposal Submission 1)f)iii)2) that the fee being excluded is only the prime's fee and not any subcontractor fee that is included as part of the subcontractor's cost.

**ANSWER: For this particular calculation (1.f.iii.), do not include pass through costs (e.g. prime G&A on subcontractor costs) in the fully burdened rates of subcontractors. For 1.f.iii.2., the calculation should exclude all fee, including subcontractor fee.**

21) Under All TO's Proposal Submission Section 1)f)iii)3 -Requests the annualized labor cost for each labor category by multiplying each fully burdened hourly labor rate by 2,080 hours.

We have two questions

1. Which fully burden labor rate should we utilize with fee (the answer to Proposal Submission 1) f) iii ) 1) or without fee (the answer to Proposal Submission 1) f) iii ) 2)?
2. Did the government intend to multiply by 2,080 hours instead of the 1,920 hours – the proposed level of effort?

**ANSWER: Please see question 3.**

22) What is the performance location for TORFP 0001?

**ANSWER: Amendment 0002 provides additional information for place of performance. Please refer to the "Proposal Information" Section, i.e., the 4<sup>th</sup> bullet point in the TORFP.**

23) An additional question related to each of the TOs that require completion of the Reference Information Sheet for Past Performance citations (TOs 0001-0003).

Does the 10-point Times New Roman font size requirement apply to the Attachment 6 - Reference Information Sheet? We are assuming that the first page can be 8-point font to match the text in Boxes 1-15, but want to confirm that the summary description of contract work in Box 15 must match the 10-point font requirement.

**ANSWER: Yes, the 10-point font applies to Attachment 6.**

24) Shall Cost and Technical be submitted as two separate files or is preference for one combined proposal file?

**ANSWER: Cost and Technical shall be two separate files**

25) PG1, Table 1 – May program management hours be split between multiple personnel as long as the Government has a single POC with the authority to act in regard to the contract? A use case for this is to allow for a proposed sub to cover some costs of management of their personnel which in a cost-type contract is traditionally done by bidding a small number of management hours.

**ANSWER: It is up to the contractor to determine how hours for each labor category will be split.**

26) PG2, paragraph 1 – What is considered substantiating cost information?

**ANSWER: Substantiating cost information is information provided to support the rates that are proposed. For example: a provisional indirect rate letter from DCMA/DCAA; a signed contingent letter of employment that shows the agreed upon labor rate; payroll stubs; tables and figures from the Excel cost workbook, etc.**

27) PG2, paragraph 1 - Does the cover page and TOC count in the five-page limit for the cost proposal?

**ANSWER: Please see question 13.**

28) PG3, paragraph 1.f.iii.3. – Can you confirm that you want the burdened hourly rate multiplied by 2080 and not 1920.

**ANSWER: Please see question 3.**

29) PG2, paragraph 1.b. – Are the ODC costs provided by the Government through approved add-ons, such as G&A or the base cost and the contractor loads them with their add-ons?

**ANSWER: Offerors shall add their G&A (and any other add-ons) on top of the ODC amounts provided by the Government.**

30) PG4, factor 1 – Please confirm that subcontractors may submit their CPARS directly to the Government either separately or as an addition to their sealed package. Many companies consider their CPARS to be proprietary data.

**ANSWER: Confirming subcontractors may submit their CPARS directly to the Government as part of their sealed package.**

31) PG7, Additional Provisions – Where within the submitted proposal should the offeror provide the assertions regarding the additional provisions within the FAR clauses? If within the cost volume, please confirm that the responses are not included in the 5 page limit.

**ANSWER: Please see question 4.**

32) Please advise if an acronym list, table of contents, and cover page are desired for the technical volume by the government for purposes of organization of the proposal. If yes, please confirm they do not count against the page limits.

**ANSWER: Please see question 16.**

33) Reference: Page 4, a. Factor 1: Past Performance states the following instructions:

- Cite at least one reference for work performed by the prime offeror, no more than one (1) reference per subcontractor, and no more than three (3) references total.
- For each Past Performance Reference, the offeror shall also submit the final version of the Government SOW/PWS that corresponds to the referenced contract. For references for work performed as a subcontractor, either the prime-level PWS/SOW or the subcontract level PWS/SOW/Subcontract Agreement will suffice.
  - A. Please confirm that the work performed by the prime offeror as a subcontractor will be acceptable.

**ANSWER: Confirming work performed by the prime as a subcontractor is acceptable.**

- B. Please confirm that the past performance write-up should only cover the key task areas used for the evaluation, i.e. 3.1 RDT&E Network Operations Center (ROC) Service Desk Support and 3.3 NMCI Operations and Support Services. The write-up should not cover the non-key task areas.

**ANSWER: Past performance write-up should only address the key areas as stated in the solicitation.**

- C. Will an offeror submitting more references be evaluated higher than an offeror submitting lesser references. For example, will an offeror submitting 3 references be considered higher in evaluation than an offeror submitting 2 or 1 reference?

**ANSWER: No, it is not strictly a numbers game. It depends on the relevance of the referenced work and the quality of the performance under the relevant work.**

- D. A SOW or PWS is required to submit with past performance but in some cases contractor staff is performing activities that doesn't reflect exact language of PWS or SOW. Will Government accept supporting document from KO or COR that

explain that our staff performing the activities? Or Will Government accept Past Performance Questionnaire signed from KO or COR and directly submit to Government?

**ANSWER: The offeror shall provide both the SOW/PWS, Reference Information Sheets (RIS) and CPARS/PPQs for each reference. If work actually performed differed from the PWS/SOW, this can be explained in the RIS.**

34) How long should our price submission be valid?

**ANSWER: Please make price submission valid for at least 180 days.**

35) Reference: TORFP, Estimated Effort (Table 1)

Question: As the government has done for TORFP 0001, will the government please provide the requisite labor category qualifications for all labor categories that offerors are requested to bid under this effort?

**ANSWER: Yes, Desired Personnel Qualifications will be provided for each TORFP.**

36) Reference TORFP paragraph 1.c Subcontractors, states “Subcontractors need only submit total cost with labor categories and hours to the prime contractor.” Since Subcontractors will be submitting a proprietary cost proposal showing their full cost build-up for each labor category directly to the government, please confirm Prime offerors only need to show the subcontractors total hours and total cost for each contract period in the Prime Offerors cost summary as subcontractor total cost will be confirmed by their proposal submittal?

Subcontractor Labor Cost								
Subcontractor proposed cost and fee							Hours	Amount
Subcontractor 1								
Subcontractor 2								

**ANSWER: No, for each proposed subcontractor, the prime must also include total costs with labor categories, burdened labor rates and hours, regardless if the subcontractor submits a cost proposal as well.**

37) Reference TORFP paragraph 1.f Other, states “For each labor category identify: 1. The fully burdened hourly labor rate inclusive of all applicable indirect costs and fee and 2. The fully burdened hourly labor rate inclusive of all applicable indirect costs but NOT fee.” So if a labor category has more than one FTE (ie. Customer Support Analyst II has 26,880 hours or 14 FTE), you want to see the fully burdened rate for each FTE? And not the average FB rate for each labor category?

**ANSWER: Yes, please provide the fully burdened rate for each FTE.**

By the closing date of the TORFP, proposals were received from all IT Services MAC holders, with exception of (b)(4) If proposals were submitted prior to closing time at 10:00AM PST on 21 May 2020.

**Table 3: Summary of Cost Proposals**

Offeror	Base Year	Option Year 1	Option Year 2	Total Proposed CPFF	Total Most Probable Cost
(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)					
SDS	(b)(3) 10 U.S.C. § 2305(g), (b)(4)			\$3,979,415.48	(b)(4), (b)(5)
(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)					

## SECTION V – PRE-NEGOTIATION ANALYSIS.

- A. Technical Evaluation.** The technical evaluation board (TEB) consisted of (b)(6) of Code 82300. Additional information on the technical evaluation can be seen in Section V.B below.
- B. Past Performance Evaluation.** The evaluation of past performance is included in Attachment 7, Technical Evaluation Report Dated 01 July 2020. The specific strengths and weaknesses are identified in the Technical Evaluation Report. The ratings are summarized in the table below.

Table 4: Summary of Technical Evaluations	
Offeror	Factor 1: Past Performance
(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)	(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)
SDS	substantial confidence

(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

With regard to past performance, the technical code provided the following summaries for each offeror:

•

•

(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

•

tha

•

•

(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

•

•

•



•

(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

• SDS:

(b)(4), (b)(5)

(b)(4), (b)(5)

**C. Other Non-Cost Factor Evaluation.** Not applicable.

**D. Cost/Price and Profit/Fee Analysis (FAR 15.305(a)(1)).**

1. **Price Analysis (FAR 15.404-1(b)).** As allowed in FAR 15.404-1(b)(2)(i), the contract specialist determined that the proposed prices are fair and reasonable based on adequate price competition. To establish adequate price competition, FAR 15.403-1(c)(1) states that the following must be true:
  - i. Two or more responsible offerors, competing independently, submit prices offers to satisfy the Government's expressed requirement.
  - ii. Award will be made to the offeror whose' proposal represents the best value where price is a substantial factor in source selection; and
  - iii. There is no finding that the price of the otherwise successful offeror is unreasonable. Any finding that is unreasonable must be supported by a statement of the facts and approved at a level above the contracting officer.

As all of the above elements of adequate price competition are present in this procurement, adequate price competition is established, and therefore prices are considered fair and reasonable.

Table 5: Price Comparison Summary			
Offeror	Proposed	Difference from IGCE	% Difference

IGCE	(b)(5)	--	0.00%
(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)			
SDS	\$3,979,415.48	(b)(4), (b)(5)	
(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)			

Discrepancies between proposed prices and the IGCE are the result of a combination of proposed direct labor rates, varying indirect rates, and fee. The contract specialist found that the IGCE's estimated direct labor rates and estimated fee (b)(5) than those proposed by offerors. For example, the IGCE estimated a fee (b)(5) however offerors proposed fee between (b)(4), (b)(5). These discrepancies between the IGCE caused proposed prices to (b)(5) than the IGCE.

2. **Cost Evaluation (FAR 15.404.1(c)).** The Government evaluated the proposed cost of all offerors for realism and reasonableness in accordance with FAR 15.4.

FAR 15.404-1(d)(1) states that cost realism analysis is the process of independently reviewing and evaluating specific elements of each offeror's proposed cost estimate to determine whether the estimated proposed cost elements are realistic for the work to be performed. The proposal should reflect a clear understanding of the requirements; and are consistent with the unique methods of performance and materials described in the offeror's technical proposal.

FAR 15.404-1(d)(2) states that cost realism analysis shall be performed on cost-reimbursement contracts to determine the proposal cost of performance for each offeror. The probable cost may differ from the proposed cost and should reflect the Government's best estimate of the cost of any contract that is most likely to result from the offeror's proposal. The probable cost shall be used for purposes of evaluation to determine the best value. The probable cost is determined by adjusting the offeror's proposed cost to reflect any additions or reductions in cost elements to realistic levels based on the results of the cost realism analysis.

In order to determine the proposed direct labor rates realistic, fair, and reasonable, the contract specialist utilized data of labor rates provided by the Economic Research Institute (ERI) for all proposed direct labor. ERI's data is primarily derived from in-house salary surveys. Data is also extracted from publicly filed tax returns leased from other survey vendors or gained from Freedom of Information Act (FOIA) requests. Data that is collected from third-party sources are then matched to ERI's internal job descriptions. First, multiple independent raters go through the job descriptions in the surveys and match the jobs in the surveys to ERI's internal job descriptions. Factors such as level, education, industry and 98 additional hard metrics are considered for each job. The contract specialist compared the proposed rates to the range of rates provided through ERI (which spanned the 10th through 90th percentile of rates) to determine (b)(4), (b)(5) proposed rates were fair, reasonable, and realistic. These rate ranges provided by ERI were determined based on estimated levels required for the labor category. The 10th percentile represents the rate range low point and the 90th percentile represents the rate range high point.

Lastly, in accordance with the TORFP, the Government will perform cost realism analysis on offerors that have a Performance Confidence Assessment of Substantial Confidence, Satisfactory Confidence or Neutral Confidence. The breadth of the cost realism analysis may be further limited to those offerors whose proposal(s) represent the most likely candidate(s) for award based on technical review and relative cost considerations.

In taking into consideration technical reviews and proposed cost, the contract specialist determined (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5) SDS were to be the only two (2) offerors initially evaluated for cost realism<sup>1</sup>. This determination was made since (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5) and SDS (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5) As discussed below, although SDS (b)(5) SDS is considered the stronger offeror (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5) SDS, which sets up a potential tradeoff scenario. While there were other offerors that were assigned substantial confidence ratings, these offerors were essentially (b)(5) SDS from a technical standpoint as no meaningful (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5) between the offerors and SDS could be made<sup>2</sup>. Moreover, their proposed prices (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5) SDS. Therefore, as long as SDS's (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5) of the other offerors with substantial confidence ratings, then the other "substantial confidence"-rated offerors will not need to undergo cost realism analysis because SDS (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5) This is because, in a competitive environment, an offeror is incentivized to propose the lowest possible price; therefore, downward cost realism adjustments generally will not be made.

**Table 6: Offerors for Cost Evaluation**

Offeror	Total Proposed Cost	Technical Evaluation
	(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)	
SDS	\$3,979,415.48	substantial confidence

**Escalation Summary.** Data provided by the Bureau of Labor Statistics (BLS) in its seasonally adjusted Employment Cost Index (ECI) for wages and salaries (<https://www.bls.gov/web/eci/echistynaics.pdf>) shows that since December of 2009, annual escalation of "Professional, Scientific and Technical services" has ranged from 1.48% to 2.9% with an average escalation rate of 2.16%. More recently, according to the aforementioned ECI, the escalation rates for Professional, Scientific and Technical services have increased, averaging 2.73% from December 2016 through December of 2019. Based on the historical escalation rates provided in the BLS ECI, the contract specialist determined that labor rate escalation of anywhere from (b)(5) s fair, reasonable and realistic (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5) SDS proposed an escalation rate (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5) since all proposed escalation rates are (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5) he proposed escalation rates are considered fair, reasonable, and realistic.

**Direct Labor Hours.** In the TORFP, the Government provided MAC holders with as estimated effort of 87,840 hours (Inclusive of one (1) base and two (2) 12-month options). (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5) The Government took no exception and determined (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5) and SDS' labor hours fair and reasonable.

**Table 7: Labor Mix and Hours**

Labor Category	IGCE Labor hours	SDS Proposed
Customer Support Analyst III - Level III	5,760	
Customer Support Analyst II - Level II	80,640 (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)	(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)
Program Manager	1,440	
<b>Total Labor Hours</b>	<b>87,840</b>	

i. (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

**a. Direct Labor Rates**

**PROPOSED:** According to (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5) direct labor rates were (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

<sup>1</sup> As documented below, SDS's most probable cost was (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5) (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5) no further (b)(5)

<sup>2</sup> The other offerors, (b)(5) These offerors were

(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

**EVALUATED:** As shown in Table 8 below

(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5) The contract specialist took no exception and determined the proposed direct labor rates fair, reasonable, and realistic.

**Table 8:** (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

Labor Category	Proposed Base Year Direct Labor Rate	ERI Labor Category	ERI Rate Range
(b)(3) 10 U.S.C. § 2305(g), (b)(4)		Technical Support Analyst Level 3	\$28.35-\$39.93
		Technical Support Analyst Level 2	\$24.61-34.55
		Program Manager Level 3	\$47.37-\$65.05

**b. Indirect Rates.** According to

(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

According to its proposal,

(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5) The contract specialist contacted DCAA and

(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5) requested recent indirect rates. On 01 July 2020, (b)(6) of DCAA

provided the contract specialist with (b)(5) FY2020 PBR. However, DCAA did not provide an approved/reviewed FY2020 PBR, therefore the contract specialist utilized 2019 actuals which were also provided by DCAA. It was determined that (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

for 2020. Therefore, the contract specialist used actuals from 2019 as the basis of probable cost. Below are the contract specialist's findings.

(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

**Table 9:** (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

Proposed	Proposed Composite Rates Base Year and Option Years 01-02	Allocation Base	DCAA FY2019 Actuals	Base Year Delta
(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)		Labor		
		Labor + Fringe	(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)	
		Labor + Fringe + Overhead		

**a. Fringe Benefits**

(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

**b. Overhead (OH).**

(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

**c. General and Administrative (G&A)**

(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

- c. Other Direct Costs.** According to the solicitation, ODCs would be funded by the Government on a cost reimbursable basis. The Government stated that ODC shall be proposed at \$15,454.50 for the base plus two (2) options. It is anticipated that ODCs will consist mainly of travel and incidental material costs. ODCs shall consist of cost only (no fee), plus any approved indirect cost add-ons such as G&A, FCCM, or M&S.

(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5) and therefore the G&A is considered fair, reasonable and realistic.

**Table 10:** (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

Cost Element	Proposed	Cost Realism Adjustment	Most Probable Cost
Direct Labor	(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)	(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)	(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)
Fringe Benefits			
Overhead			
G&A			
<b>Total Prime Direct &amp; Indirect Labor</b>			
Other Direct Costs (ODCs) (Travel)			
G&A On Travel			
<b>Total ODCs</b>			
<b>Total Cost</b>			
<b>Total Fee</b>			
<b>TOTAL CPFF</b>			

Overall, the contract specialist's evaluation revealed a (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5) original proposal. (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5) the Government took no exception and determined (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5) overall proposed cost fair, reasonable, and realistic.

**ii. Strategic Data Systems**

**a. Direct Labor Rates**

**PROPOSED:** According to SDS, (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

**EVALUATED:** As shown in Table 10 below, all SDS' proposed (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

Accordingly, the contract specialist determined all proposed direct labor rates fair, reasonable, and realistic.

**Table 11: SDS Direct Labor Rates**

Labor Category	Proposed Base Year Direct Labor Rate	ERI Labor Category	ERI Rate Range
(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)	(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)	Technical Support Analyst Level 3	\$28.35-\$39.93
		Technical Support Analyst Level 2	\$24.61-34.55
		Program Manager Level 3	\$47.37-\$65.05

b. **Indirect Rates.** According to SDS, their proposed indirect rates are (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5) (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5) The contract specialist contacted DCAA and requested SDS' most recent indirect rates. On 30 June 2020, (b)(6) provided the contract specialist with SDS' FY2020 PBR. Below are the contract specialist's findings.

**Table 12: SDS Indirect Rates**

Proposed	Proposed Composite Rates Base Year and Option Years 01-02	Allocation Base	DCAA FY2020 PBR	Base Year Delta
		Labor		
	(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)	Labor + Fringe	(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)	
		Labor + Fringe + OH		

- a. **Fringe Benefits:** SDS proposed an FB rate of (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5) and therefore considered fair, reasonable, and realistic.
- b. **Overhead.** SDS proposed (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5) and therefore considered fair, reasonable, and realistic.
- c. **G&A.** SDS proposed a G&A rate (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5) and therefore considered fair, reasonable, and realistic.
- c. **Other Direct Costs.** According to the solicitation, ODCs would be funded by the Government on a cost reimbursable basis. The Government stated that ODC shall be proposed at \$15,454.50 for the base plus two (2) options. It is anticipated that ODCs will consist mainly of travel and incidental material costs. ODCs shall consist of cost only (no fee), plus any approved indirect cost add-ons such as G&A, FCCM, or M&S.
- SDS proposed ODCs (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5) Accordingly, the ODCs (including the G&A applied to ODCs) were considered fair, reasonable and realistic.

Table 13: SDS Evaluation Summary			
Cost Element	Proposed	Cost Realism Adjustment	Most Probable Cost
Direct Labor			
Fringe Benefits			
Overhead			
G&A			
<b>Total Prime Direct &amp; Indirect Labor</b>	(b)(3) 10 U.S.C. § 2305(g), (b)(4)		
Other Direct Costs (ODCs) (Travel)		(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)	
G&A On Travel			
<b>Total ODCs</b>			
<b>Total Cost</b>			
<b>Total Fee</b>			
<b>TOTAL CPFF</b>	<b>\$3,979,415.48</b>		

Overall, the contract specialist's evaluation revealed (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5) The Government took no exception and determined SDS' overall proposed cost fair, reasonable, and realistic.

3. **Fee.** SDS proposed (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5) Fee is not addressed in the cost realism analysis. DFARS 215.404-4(c)(1) eliminates the need for profit analysis when assessing cost realism in competitive acquisitions.
4. **Trade Off Analysis.**  
According to TORFP 0001, offerors were informed that this is a best value trade off procurement, with award going to the offeror that represents the best overall value to the Government, price and non-price considered.

Offerors were advised that the Government will evaluate offers for award purposes by adding the total cost and fixed fee for the option year(s) to the total cost and fixed fee for the basic requirement. The Government will perform cost realism analysis on offerors that have a Performance Confidence Assessment of Substantial Confidence, Satisfactory Confidence or Neutral Confidence. The breadth of the cost realism analysis may be further limited to those offerors whose proposal(s) represent the most likely candidate(s) for award based on technical review and relative cost considerations. As previously stated (b)(5) and SDS were the only two (2) contractors evaluated for cost realism (See Section 5.D.2 above for information on why (b)(5) and SDS were selected).

Offerors were additionally advised that the non-cost evaluation factor will be of significantly more importance than cost.

The Contracting Officer utilized the technical evaluation report in conjunction with the cost realism evaluation for tradeoff analysis. The Contracting Officer independently reviewed the technical evaluation and determined the evaluation to be accurate, consistent, and supported in accordance with the evaluation criteria

Table 14 Trade Off Analysis				
Contractor	Past Performance	Proposed	Most Probable Cost	Difference from Lowest Most Probable Cost
SDS	Substantial Confidence	\$3,979,415.48	(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)	(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

According to SDS' technical evaluation, SDS demonstrated experience with the scope, complexities and magnitude required to successfully perform this effort. (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

According to (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5) demonstrated experience with the scope, complexities and magnitude required to successfully perform this effort. (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

In order to determine which offeror was technically superior, the Contracting Officer had the technical code provide additional information on what differentiates the rating between (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5) and SDS. According to the technical code, (b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)



(b)(3) 10 U.S.C. § 2305(g), (b)(4), (b)(5)

As a result of the above analysis, SDS is considered the overall best value to the Government and is selected for award in the amount of \$3,979,415.48 (base plus two 12-month options). This clearance constitutes the Contracting Officer's fair opportunity selection decision in accordance with FAR 16.505.

#### SECTION VI – OTHER PRE-NEGOTIATION INFORMATION.

- A. **Comparison of pre-position to historical prices in constant and then year dollars, if not done as part of cost or price analysis.** Refer to Section III.C. Historical prices were not used in the cost or price analysis, however, the Government SME considered historical prices from similar efforts on previous orders in developing the IGCE, which was used in the price analysis above.
- B. **If applicable, discuss exemptions requested to Buy American, Berry Amendment, specialty metals restrictions, or other requirements of the solicitation.** Not applicable to this procurement.
- C. **If data for competitive reprourement is being purchased, discuss cost, delivery and whether the Government will get unlimited rights.** Not applicable to this procurement.
- D. **If applicable, identify offerors and attendees at pre-negotiation and fact finding sessions. Document when sessions were held and what was included in the sessions. Identify any other exchanges with offerors after receipt of proposals. (FAR 15.306)** Not applicable to this procurement.
- E. **Not-to-exceed prices.** Not applicable to this procurement.

#### SECTION VII - DECISION TO PROCEED.

- A. **Indicate whether discussions/negotiations are necessary or why they will generate a better value to the Government.** Not applicable to this procurement.
- B. **Competitive range (FAR 15.306(c)).** Not applicable to this procurement

#### SECTION VIII – PRE-AWARD COMPLIANCES.

Identify if N/A, satisfied at the basic contract, or Applicable	DOCUMENT/APPROVAL CHECKLIST	DATE
Satisfied at Basic Contract	Determination of Responsibility (FAR 9.103) and financial stability (FAR 9.104-1(a))	18 June 2018
Applicable	System for Award Management (SAM) and FAPIIS check completed	23 July 2020
Not Applicable	HCA Waiver of Cost or Pricing Data (FAR 15.403-1)	

Not Applicable	Certificate of Current Cost or Pricing Data (FAR 15.406-2)	
Not Applicable	Contractor's Estimating System determined acceptable by ACO (DFARS 215.407-5)	
Not Applicable	Pre-Award Disclosure Statement - Cost Accounting Practices and Certification (FAR 15.408)	
Applicable	Contractor's Accounting System determined adequate by CAO/DCAA (FAR 16.301-3)	08 August 2005
Not Applicable	Disclosure Statement determined current, accurate and complete by ACO (FAR 42.302(a)(11)).	
Not Applicable	Contractor EVMS verified compliant with DoD criteria by DCMA (DFARS 242.302(S-71)).	
Not Applicable	Contractor Purchasing System determined to be approved by the ACO (FAR 44.304)	
Not Applicable	Property System reviewed for acceptability by ACO (FAR 45.105).	
Not Applicable	Compliance with DoD Instruction 7640.02	
Satisfied at Basic	Compliance with requirement for non-commercial item contracts over the SAT to include a statement that the proposed contractor is current with its submission of the VETS-4212 Report to the Department of Labor's VETS-4212 Database (FAR Subpart 22.1302). The Department of Labor's VETS-4212 Database may be accessed at the following link: <a href="http://www.dol.gov/vets/vets4212.htm">http://www.dol.gov/vets/vets4212.htm</a>	28 September 2019

#### SECTION IX – POST-NEGOTIATION.

Not applicable. Negotiations were not held.